

DIRECTIVE

WORKFORCE SERVICES

Number: WSD07-4

Date: October 2, 2007

69:129:cs:11204

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: LOCAL PLAN MODIFICATIONS PY 2007–08

EXECUTIVE SUMMARY:

Purpose:

This directive announces a one-year extension to existing Local Workforce Investment Area (LWIA) Five-Year Strategic Local Plans via the local plan modification process. This directive also provides instructions and newly revised forms for submittal of Program Year (PY) 2007–08 modification of local plans consistent with changes to the State's Unemployment Insurance (UI) Code resulting from the passage of Senate Bill (SB) 293 (Statutes of 2006, Chapter 630).

Scope:

This directive applies primarily to all Local Workforce Investment Boards (Local Boards) however; as part of the larger workforce development community, those in the Workforce Services Branch field operations are now included in this circulation.

Effective Date:

This directive is effective on date of issuance.

REFERENCES:

- WIA Section 118
- Title 20 Code of Federal Regulations (CFR) Part 661.345, 661.350, and 661.355
- Training and Employment Guidance Letter (TEGL) 22-06; WIA Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2007; Additional PY 2007 Funding from WIA Section 173(e) for Adult/Dislocated Worker Activities for Eligible States; Final Wagner-Peyser Act Allotments for PY 2007; and Consolidated Work Opportunity Tax Credit (WOTC) Fiscal Year (FY) 2007 (April 6, 2007)
- TEGL 13-06, Change 1, Instructions for Workforce Investment Act and Wagner-Peyser Act State Planning and Waiver Requests for Years Three and Four of the Strategic Five-Year State Plan (Program Years 2007 and 2008) (April 5, 2007)

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- TEGL 20-06, Reauthorization of the Work Opportunity Tax Credit (WOTC) and Other Program Changes (April 3, 2007)
- TEGL 19-06, Negotiating Performance Goals for the Workforce Investment Act Title 1B Programs and Wagner-Peyser Act Program for Program Years 2007 and 2008 (March 30, 2007)
- TEGL 13-06, Instructions for Workforce Investment Act and Wagner-Peyser Act State Planning and Waiver Requests for Years Three and Four of the Strategic Five-Year State Plan (Program Years 2007 and 2008) (January 24, 2007)
- TEGL 5-06, Implementing the Salary and Bonus Limitations in Public Law 109-234 (August 15, 2006)
- TEGL 25-05, Change 1, Workforce Investment Act (WIA) Adult and Youth Programs Final Allotments for Program Year (PY) 2006, and Additional PY 2006 Funding from WIA Section 173(e) for Adult/Dislocated Worker Activities for Eligible States (August 10, 2006)
- TEGL 17-05, Common Measures Policy for the Employment and Training Administration's Performance Accountability System and Related Performance Issues (February 17, 2006)
- CWIB letter, Subject: [Supplemental Local Planning Guidance and Instructions](#) for Submission of the Strategic Five Year Local Plan for the Workforce Investment Act (February 25, 2000)
- California Workforce Investment Board (CWIB) letter, Subject: [Second Supplemental Local Planning Guidance](#) and Instructions for Submission of the Strategic Five Year Local Plan for the Workforce Investment Act (June 13, 2000)
- WIA Directive WIAD06-21, Subject: Workforce Training Act (SB 293) Implementation Guidance (June 29, 2007)
- WIA Directive WIAD06-17, Subject: Changes to WIA Requirements-SB 293, Workforce Training Act (March 20, 2007)
- WIA Directive WIAD05-19, Subject: Local Plan Modifications for PY 2006-07 (June 16, 2006)
- WIA Directive WIAD05-12, Subject: Transfer of Funds—Adult, Dislocated Worker, and Recaptured Funds (January 12, 2006)
- WIA Information Bulletin WIAB06-36, Subject: Changes to WIA Requirements-SB 293 (Chapter 630, Statutes of 2006) (December 18, 2006)
- WIA Information Bulletin WIAB99-2, Subject: WIA Initial Local Planning Guidance (December 14, 1999)

STATE-IMPOSED REQUIREMENTS:

This directive contains some State-imposed requirements. These requirements are indicated by ***bold, italic*** type.

FILING INSTRUCTIONS:

This directive supersedes WIA Directive WIAD05-19 dated June 16, 2006, and finalizes Workforce Services Draft Directive WSDD-2, issued for comment on August 2, 2007. The Workforce Services Division received five comments during the draft comment period. The comments resulted in a few substantive changes to this directive, including an extension to the local plan due date from October 1, 2007, to November 15, 2007, a revised set of the local plan narrative pages, and guidance relating to where the information pertaining to the changes resulting from the passage of SB 293 should be incorporated in the narrative portion of the local plan. The changes incorporated into this directive are viewed as highlighted text. The highlighted text will remain on the Internet for 30 days from the date of issuance. Retain this directive until further notice.

BACKGROUND:

The Local Boards submitted their initial Five-Year Strategic Local Plans pursuant to the requirements in WIA Section 118, instructions in WIA Information Bulletin [WIAB99-2](#), dated December 14, 1999, and several issuances of supplemental guidance. Title 20 CFR Part 661.355 states that the Governor must establish procedures governing the modification of local plans. The WIA Directive WIAD05-19, dated June 16, 2006, provided instructions for submitting the PY 2006–07 plan modifications. SB 293 amended the California UI Code to repeal Division 8, Family Economic Security: Job Preparation and Training Services, and to amend Division 7, California Workforce Training Act, by replacing Section 14000 and adding Sections 14005 - 14530. These changes to the UI Code provide guidance and new requirements for carrying out WIA funded programs. Therefore, local plan modifications for PY 2007-08 will need to include changes to local policy resulting from the recent passage of SB 293. Additional situations in which the Governor may also require modifications include:

- Significant changes in local economic conditions;
- Changes in the financing available to support WIA Title I and partner-provided WIA services;
- Changes to the Local Board structure; or
- A need to revise strategies to meet performance goals.

For both PYs 2005-06 and 2006–07, the Local Boards were given a one-year extension to their existing Five-Year Strategic Local Plans via local plan modifications. ***To meet the requirements in Section 118 of WIA, the Local Boards are given a third one-year extension to their existing Five-Year Strategic Local Plans, subject only to the requirements of this directive for PY 2007–08.***

POLICY AND PROCEDURES:

This directive includes the attachment *WIA Local Plan Modification PY 2007–08 Instructions and Forms*; it may be accessed at www.edd.ca.gov/wiarep/wiaricp.htm. The forms in the attachment include:

- Cover Page
- Table of Contents

- Signature Page
- Title IB Budget Plan Summaries for Adult or Dislocated Worker and Youth
- Title IB Participant Plan Summary
- Negotiated Levels of Performance
- Local Area Grant Recipient Listing

If you need to make changes to any of the narrative portions submitted with your initial plan or subsequent modifications, you may access the appropriate forms at the same Web site. (Note: The newly revised [WIA Local Plan Modification PY 2007-08 Narrative Forms](#) are available in the Resource Information Center - Planning Documents.)

Local plans must be modified to include the following elements, as applicable:

Revised Elements from Initial Plans and/or Subsequent Modifications

Some local plans may be missing some required elements. For example, Local Boards may not have submitted all of their fully executed Memorandums of Understanding (MOU). One of the elements required in the MOUs, per WIA Section 121(c)(2)(A)(ii), is “how the costs of such services and the operating costs of the system will be funded.” The State approved those MOUs that indicated cost-sharing arrangements would be developed. In addition, some of the MOUs did not include specific information about referral methods. As a requirement of WIA Section 121(c)(2)(iii), MOUs shall contain provisions describing the “methods for referral of individuals between the One-Stop operator and the One-Stop partners, for the appropriate services and activities.” ***Local Boards must attach a current copy of each fully executed MOU for all required partners that describe the cost-sharing arrangements and methods of referral, as well as the other required elements in WIA Section 121(c). If there is more than a single One-Stop in the local area, the MOUs must address the cost-sharing arrangements and other Section 121(c) requirements regarding each of the One-Stops, including descriptions of any differences or unique arrangements regarding the various sites. If cost-sharing arrangements are not included as part of the MOU but are contained in another document (e.g., a lease agreement), provide a copy of that document with the MOU. If any required MOUs have not yet been negotiated, these must be identified and a description of the ongoing efforts and/or problems in finalizing the memorandum(s) must be provided in Box "S" of the narrative Section V entitled “Local One-Stop Service Delivery System.” Please indicate the projected dates, if known, of full execution.***

Required Changes Resulting from the Passage of SB 293

Recent changes to the UI Code resulted from the passage of SB 293 (Statutes of 2006, Chapter 630.) These changes provide guidance and new requirements for carrying out WIA-funded programs. ***Therefore, local plan modifications for PY 2007-08 will need to reflect changes to local policy in order to include the provisions as described in the following new UI Code requirements:***

Local Board Membership

The UI Code Section 14202 describes the mandatory composition of Local Boards. Most of this section reiterates federal law with some minor changes; however, Section 14202(c) constitutes a significant change. It provides for ***“Representatives of labor organizations nominated by local labor federations, including a representative of an apprenticeship program. At least 15 percent of local board members shall be representatives of labor organizations unless the local labor federation fails to nominate enough members. If this occurs, then at least 10 percent of the local board members shall be representatives of labor organizations.”*** A description of the local board composition must be included in the discussion provided in response to Box “C” (and any other applicable sections/boxes) of the narrative Section IV entitled “Leadership.”

One-Stop Operators

The UI Code Section 14206 describes local board functions, and Section 14206(d) specifically requires the board to ***“Select one-stop operators, with the agreement of the local chief elected official, annually review their operations, and terminate for cause the eligibility of such operators.”*** A description of this local policy must be included in the discussion in response to Box “B” of the narrative Section V entitled “Local One-Stop Service Delivery System.”

Individual Training Accounts

The UI Code Section 14206(h) requires the Local Board to ***“Develop local policy on the amount and duration of individual training accounts based on market rate for local training programs.”*** The Local Board’s policy on the amount and duration of individual training accounts should be established in writing. In addition to explaining how local market rate is determined and used, the policy may describe any other factors that are taken into consideration and how those factors affect the final decision on individual training accounts. Examples of other factors are the labor pool needs of key industries and high-demand occupations and the Local Area’s need for health-care workers or workers with other specific skills. A description of this policy must be included in the discussion in response to Box “F” of the narrative Section V entitled “Local One-Stop Service Delivery System.”

Training Services for Job Seekers

The UI Code Section 14230(a)(5) states that training services shall be made available to individuals who, among other criteria, ***“have selected a program of services directly linked to occupations in demand in the local or regional area.”*** This amendment to the UI Code does not contradict or supersede the intent of WIA Section 134(d)(4)(A)(iii) or 20 CFR Section 663.310(c). Although Local Boards may focus on training and related services pertaining to demand occupations within that geographic area, WIA funds still may be used for training and related services for occupations located outside the Local Area but in an area to which the job seeker is willing to relocate. A description of this policy must be included in the discussion in response to Box “R” of the narrative Section V entitled “Local One-Stop Service Delivery System.”

Local Memorandum of Understandings

The UI Code Section 14230 describes the services that must be available through California's One-Stop Career Centers. Among those services are training services which must be ***“made available to individuals who have met the requirements for intensive services and who are unable to obtain or retain employment through intensive services.”*** Additionally, ***“Each local board shall develop a policy for identifying individuals who, because of their skills or experience, should be referred immediately to training services. This policy, along with the methods for referral of individuals between the one-stop operators and the one-stop partners for appropriate services and activities, shall be contained in the memorandum of understanding (MOU) between the local board and the one-stop partners” and be included in the discussion in response to Box "S" of the narrative Section V entitled “Local One-Stop Service Delivery System.***

Additional situations in which the Governor may also require modifications

As described in the background above, Title 20 CFR Part 661.355 provides examples of situations for which the Governor may also require modification of the local plan. ***The State requires Local Boards to modify their local plans to include any of the following four changes referenced in Title 20 CFR Part 661.355, which are applicable to the local area.***

- Significant changes (as well as a general downturn) in local economic conditions -- ***All Local Boards should describe any significant changes in the narrative Section III entitled “Labor Market Analysis.”***
- Changes in financing available to support WIA Title I and partner-provided WIA services – ***All Local Boards will have changes in available financing to support Title I services, i.e., the PY 2007–08 allocations, which are to be incorporated in the modification on the Budget Plan summaries,*** included in the *WIA Local Plan Modification PY2007–08 Instructions and Forms* attachment; it may be accessed at www.edd.ca.gov/wiarep/wiaricp.htm.
- Changes to the Local Board structure – “Changes to the Local Board structure” does not mean changes in specific individuals on the board. Rather, it refers to changes in numbers of members, additional partnership categories, and other structural changes (for example, the establishment of a youth council within the board, or as described above, recent changes to the State's UI code (14202 (c)) resulting from the passage of SB 293 (Statutes of 2006, Chapter 630) which mandates that the composition of Local Boards include a minimum of ***15 percent representation of labor organizations unless the local labor federation fails to nominate enough members in which case, a minimum of 10 percent of the local board members shall be representatives of labor organizations.***) However, no structural changes can be made which would eliminate any required partner categories, or which would eliminate the private sector majority. ***Any applicable changes must be discussed in Box "C" (and any other applicable sections/boxes) of the narrative Section IV entitled “Leadership.”*** For example, if there are changes regarding the youth

council, these should be discussed in Box "A" of the narrative Section VI entitled "Youth Activities."

- A need to revise strategies to meet performance goals – Local negotiated PY 2006–07 performance goals may not be available by the time of your PY 2007–08 modification submittal. However, even if they are not, you may decide locally, based on prior years' experiences, that you will need to change your strategies in order to meet your performance goals. ***If so, discuss the strategic changes in the narrative Section II entitled "Local Vision and Goals" and/or any other applicable sections of the narrative.***

Requirements for All Local One-Year Extensions:

All Local Boards must complete the Cover Page, Table of Contents, Signature Page, Budget Plan Summaries, Participant Plan Summary, Negotiated Levels of Performance Chart, and LWIA Grant Recipient Listing, as part of the modification. Final approval of the local area's proposed goals is subject to negotiation with the State.

Transfer of Funds—Adult and Dislocated Worker Formula Allocations

The WIA Directive [WIAD05-12](#), dated January 12, 2006, provides State policy and procedures for the transfer of funds between Title I Adult and Dislocated Worker programs. You may submit a request for transfer at any time during the two-year life of the funds except May and June of the second year of availability. When you wish to effect a transfer of funds, ***follow the instructions in the directive for requesting the transfer. To include a request for transfer of funds as part of your local plan modification, make the appropriate entries on the budget and participant forms.*** (Note: Although a maximum 50 percent transfer of funds is currently applicable to PY 2007–08 funding, the State, included its plan modification submitted to the Department of Labor, although not yet approved, a waiver request that would allow up to 100 percent transfer of funds between the Adult and Dislocated Worker formula allocations.)

Format

In addition to the newly revised narrative forms, a complete package of the PY 2007–08 forms may be downloaded at www.edd.ca.gov/wiarep/wiaricp.htm. Included you will find a Local Plan Table of Contents that has columns for indicating which plan sections have been revised. ***Only those items that were not submitted with the initial plan and/or prior local plan modifications, and items requiring changes (e.g., revised narrative pages relating to changes in local policy resulting from the passage of SB 293, and/or significant changes in the local economy, and strategic changes to meet performance and expenditure goals) must be included in the modification. Please note that the addendum which was added to the narrative forms section for PY 2006-07 has been incorporated into the appropriate sections of the revised narrative forms section for PY 2007-08.***

Please annotate each revised page with a revision date in the lower right corner of the page (e.g., "Rev. 9/15/07"). Complete the cover page. After the cover page, please arrange the modification in the order indicated by the Table of Contents.

Public Comment, Signatures, Due Date

Plan modifications must be made available to the public through such means as public hearings and the local news media. Members of the Local Board and members of the public, including representatives of business and labor organizations, must be allowed to submit comments on the proposed modification to the Local Board. These must be submitted no later than the end of the 30-day period beginning on the date on which the proposed modification is made available.

The plan modification is due to the State no later than November 15, 2007. Six copies are required, at least one of which must contain the original signatures of the Local Board Chair and the Chief Elected Official, or their designated alternates. Only one copy of each MOU is required. (Note: Alternates must be formally designated by official action of their respective boards or locally approved policy.) Some local areas may be unable to obtain the approval of both the Local Board Chair and the Chief Elected Official by the due date (e.g., because of the scheduling of their respective board meetings). If so, they must submit at least one copy of the unsigned modification by the due date and provide an explanation and date by which the signed original and copies will be sent.

ACTION:

Please bring this directive to the attention of all relevant parties. ***Complete the plan modification according to the instructions in this directive and attachment. Submit the modification no later than 5:00 p.m., on November 15, 2007, to:***

Mail: Program and Technical Assistance Section
 Workforce Services Division, MIC 50
 Employment Development Department
 P.O. Box 826880
 Sacramento, CA 94280-0001

Overnight Mail: Program and Technical Assistance Section
 Workforce Services Division, MIC 50
 Employment Development Department
 800 Capitol Mall
 Sacramento, CA 95814

Hand Deliver: Program and Technical Assistance Section
 Workforce Services Division
 Employment Development Department
 722 Capitol Mall, Room 5099
 Sacramento, CA 95814

INQUIRIES:

If you have any questions, please contact your [Regional Advisor](#), at (916) 654-7799.

/S/ BILL BURKE
Assistant Deputy Director
Workforce Services Branch

/S/ BOB HERMSMEIER
Chief
Workforce Services Division

Attachment is available on the Internet:

[WIA Local Plan Modifications PY 2007-08 Instructions and Forms](#) (PDF)